ON PAGE 35

Cruz Resigns Leadership Post With Contras

Decision Further Damages Chances for Rebel Aid As House Prepares Vote

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Staff Reporters of THE WALL STREET JOURNAL WASHINGTON - Arturo Cruz resigned as a Contra leader, further damaging the U.S.-backed rebels' chances of winning continued congressional support of their effort to oust Nicaragua's leftist regime.

The action by Mr. Cruz, who has bipartisan support in Congress as a reformer of the rebel movement, makes even more difficult President Reagan's uphill fight to win \$105 million for the rebels for next year. The resignation, which came shortly after Mr. Cruz dropped a threat to step down, only provides more ammunition for critics who charge that the rebel movement is corrupt and beyond reform.

A largely symbolic vote in the House on the future of American aid for the Contras is scheduled for tomorrow. The chamber is expected to approve a resolution that would prevent the spending of \$40 million in military aid for the rebels unless the White House gives a full accounting of past monies spent on the Contra effort.

The Senate is likely to take up a similar resolution. But President Reagan has said

he would veto such a bill, and Congress isn't expected to be able to muster the two-thirds vote needed to override a veto.

Nevertheless, the votes will be the first on Contra aid since the administration disclosed that some profits from secret arms sales to Iran may have been funneled

Arturo Cruz

to the rebels. Congress had prohibited pro-

viding aid to the Contras.

"What Mr. Cruz has done has convinced some (in Congress) that this movement is not worth supporting," said Sen. Christopher Dodd (D., Conn.), chairman of the

WALL STREET JOURNAL 10 March 1987

Senate Foreign Relations Subcommittee on Western Hemisphere Affairs and a prominent critic of Contra aid.

Only 2½ weeks ago, Mr. Cruz had been dissuaded by senior State Department officials from leaving the three-member directorate of the United Nicaraguan Opposition, or UNO, the rebels' umbrella group. The U.S. officials had promised Mr. Cruz that they would support his efforts to broaden and strengthen civilian control over the UNO. According to sources close to the Contra leader, however, Mr. Cruz's announcement yesterday indicates that the State Department has been unable to make good on its pledge.

Disarray of Movement

As a result, the resignation is viewed on Capitol Hill as a reflection of the disarray both in the rebel camp and within the Reagan administration. Last month, another rebel leader, Adolfo Calero, who controls the Contras' dominant fighting force and is backed by the Central Intelligence Agency, resigned from the UNO's directorate.

Mr. Calero's supporters, however, continued to work behind the scenes to convince rebel soldiers and commanders that Mr. Cruz was a dangerous reformer who would sell out the rebel cause by negotiating with Nicaragua's Sandinista government.

Some State Department officials were shocked and disappointed by Mr. Cruz's decision to step down; Mr. Cruz didn't tell U.S. officials of his decision before making the announcement yesterday.

The State Department sources noted that senior administration officials are scheduled to meet later this week to discuss Contra reform efforts, and were puzzled over Mr. Cruz's resignation before the outcome of those sessions was known. When Congress approved aid to the Contras last year, it authorized the State Department to be the lead agency in coordinating Contra support efforts.

Pressure to Leave

Mr. Cruz announced his decision from Costa Rica, and his wife. Consuelo, delivered a letter explaining his action that will be published today in the Miami Herald. U.S. officials said Mrs. Cruz had been pressuring her husband to leave his leadership position in the Contra movement. Indeed, when he announced his decision last month to remain in the leadership, he said, "my wife and I much preferred to be out of this."

Seeking to put the best face on the resignation, Elliott Abrams, assistant secretary of state for inter-American affairs, said: "It's sad. I regret it. But if this movement depends on any one individual it's a lot weaker than anyone anticipates. I think that, in fact, new leaders will appear to replace him."

And Sen. Robert Dole (R., Kan.), the minority leader, said that "it would be unfair, pure and simple, to punish the Contras for the mistakes of administration officials." He added that "if we turn our backs on the Contras now, there will be two victims: not only the Contras, who we've left high and dry, but also the credibility of the United States."

Mr. Cruz has told associates that he might become a consultant to the UNO. However, his abrupt resignation from his leadership post left his supporters hanging onto the faint hope that the reforms will proceed without his full-time presence. "My sense is that this is a setback, but only a setback and I think the reform effort will be deepened," said Robert Leiken, a Contra supporter and senior analyst at the Carnegie Endowment for International Peace.